

R E P O R T

OF THE

GOVERNOR AND COMMITTEE

OF THE

HUDSON'S BAY COMPANY,

TO BE

LAID BEFORE THE SHAREHOLDERS,

JULY 2ND, 1869.

LONDON:

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1869.

DIRECTORS.

Governor.

THE RIGHT HONORABLE
SIR STAFFORD HENRY NORTHCOTE, BART., M.P.

Deputy-Governor.

SIR CURTIS MIRANDA LAMPSON, BART.

Committee.

EDEN COLVILE, Esquire,
GEORGE LYALL, Esquire,
DANIEL MEINERTZHAGEN, Esquire,
JAMES STEWART HODGSON, Esquire,
JOHN HENRY WILLIAM SCHRÖDER, Baron,
RICHARD POTTER, Esquire,
EDWARD WILLIAM TERRICK HAMILTON, Esq., M.P.

H U D S O N ' S B A Y C O M P A N Y .

A GENERAL COURT of the Governor and Company of Adventurers of England trading into Hudson's Bay, will be held at their House, in Fenchurch Street, on Friday, the 2nd of July next, at Two o'clock p.m., when a Report from the Governor and Committee will be laid before the Shareholders, and a Dividend declared.

The Transfer Books of the Company will be closed on the 22nd instant, and re-opened on the 10th July.

By order of the Governor, Deputy-Governor, and Committee of the said Company,

WILLIAM G. SMITH,
Secretary.

H U D S O N ' S B A Y H O U S E ,
London, June 15th, 1869.

R E P O R T.

WE have the honour to submit the Accounts of the Company, made up to the 31st May, 1869, and representing the outfit of the year 1867-8. These Accounts have been duly examined by the Company's Auditor. They exhibit upon the whole a satisfactory result. The profit for the year amounts to £71,533 5s. 9d., as compared with £54,874 7s. 3d. in 1866-7, and £89,463 18s. 11d. in 1865-6.

We have been paying much attention to the importance of improving our means of transport in the interior of the country, and have recently despatched to York Factory a small steamer, suitable for river navigation, which will add greatly to our means of keeping up the communication with Lake Winnipeg.

The completion of the Atlantic and Pacific Railway, and its proposed extension from San Francisco to British Columbia, will conduce materially to the development of

the resources of that Colony, in which the Company is much interested. There has as yet been no great improvement in its condition ; but, looking forward to its annexation to the dominion of Canada as well as to the opening of a railway, we have hopes that it will ere long enter upon a period of much greater prosperity.

The result of the arbitration on the Oregon claims has not yet been announced. The whole of the evidence, however, has been completed, and the arguments on both sides have been brought to a conclusion. Nothing remains but for the Commissioners to make their award, which we trust may be speedily done, and that this long-pending transaction may be satisfactorily terminated.

The arrangements for the transfer of the Company's Territorial Rights to the Dominion of Canada have been agreed to by the Canadian Parliament, and we hope shortly to be able to inform the Proprietors of the conclusion of the transaction.

When the transfer of the Company's Territorial Rights has been completed, and when the purchase-money has been received, the form of the Balance Sheet will require alteration. For the present we retain the form of accounts as previously published.

The Proprietors are aware that for many years the premises in Fenchurch Street were entered in the Accounts as of the

value of £18,872 5s. 4d. It was notorious that if sold they would produce a much larger sum, and a claim was advanced on the part of the Company's Officers abroad, that they should be reckoned at their true value, and that the Fur Trade should be credited with the amount of the advance which had taken place. Vice-Chancellor Giffard confirmed this claim, and directed that the premises should be considered to be annually augmented in value from the 1st June, 1860, until reaching a maximum value of £55,000 in June, 1865; and to be continued at that amount in the years 1866 and 1867.

There results a *prima facie* difference of £36,127 14s. 8d., as stated in our last Report, but the adjustments of the Accounts, which are directed to be made out as they have been hitherto taken under the provisions of the arrangement between the Company and its Officers, are necessarily complicated.

The final issue is a credit of £11,616 9s. 6d. to accounts of the Officers interested, or their representatives, in respect of 2-5ths of the resulting gain, and of £17,424 14s. 2d. to the Company as their share of the declared increased value, together with interest on the re-stated Capital advanced for carrying on the Fur Trade.

The premises being as yet unsold, we cannot recommend that the profit shall be regarded as realised and be taken into account in fixing the dividend. We have therefore

directed that a separate account, "Gain on Premises in Fenchurch Street," should be kept of this transaction, until such time as the property can be sold.

We may here add that, the value of house property in the City of London having manifestly declined since the Decree was made, we have this year reduced the nominal value of the Fenchurch Street premises from £55,000 to £50,000. This shows a loss of £5,000, with which the Fur Trade must be debited; but as we do not propose to take account of the nominal profit in the previous years, so neither do we propose to take account of the Company's proportion of the nominal loss in this year, so far as relates to the amount of dividend to be recommended. The loss of £3,000 will be charged to the separate "Premises" Account.

With regard to the 2,500 unissued Shares which the Company hold, we have reckoned them among the Assets at the market price of the day on which the accounts are made up, namely, £12 10s. per Share, instead of at par, as was previously done. The result is, that the amount of "Sundry Investments" stands at £109,362 11s. 8d. instead of, as in the last account, at £126,694 5s. 10d.. This alteration enables us to dispense with the item of "Suspense Account, £37,500," which has hitherto been retained on the other side of the Balance Sheet in respect of these Shares, and which represented the difference between the nominal par values of the old and new Stocks of the Company. The

difference, £18,748 15s., is carried to the credit of a Reserved Account of Profit and Loss.

Looking to the position and prospects of the Company, we recommend a dividend of Eight Shillings per Share, which, added to the interim dividend of Six Shillings paid in January, will make Fourteen Shillings per Share for the year, as against Twelve Shillings in the year 1867-8. After paying this dividend, the balance to be carried over to the accounts of next year, will be £30,739 6s. 8d., as against £29,206 0s. 11d., which was the balance left last year after payment of the dividend in July, 1868.

On behalf of the Committee,

STAFFORD H. NORTHCOTE,
Governor.

HUDSON'S BAY

Dr.

BALANCE SHEET,

To Amount due by the Company, viz.:—	
Cash in the hands of the Company due to Officers and Servants in Hudson's Bay	£184,604 5 5
Notes in circulation in Hudson's Bay ...	7,296 12 0
Sundries...	3,596 14 0
(Exclusive of amount due to Shippers in respect of Goods in course of ship- ment on 31st May, 1869, not included in the Assets, per contra)	£195,497 11 5
To Reserved Account of Profit and Loss...	18,748 15 0
To Gain on Premises in Fenchurch Street —Reserved Gain on Valuation...	14,424 14 2
To Capital	2,000,000 0 0
To Profit and Loss :—	
Balance of undivided Profits, 1st June, 1868	29,206 0 11
Net Profits for the Year	71,533 5 9
	100,739 6 8
Less Interim Dividend, declared Decem- ber, 1868	30,000 0 0
	70,739 6 8
	£2,299,410 7 3

C O M P A N Y.

31st MAY, 1869.

Cr.

By Cash in hand and on Deposit ...	...	£179,566	16	7
By Sundry Investments ...	...	109,362	11	8
By Amount invested in the Fur Trade (exclusive of Goods in course of shipment on 31st May, 1869,) viz :—				
Real Property in London, and Fleet of Ships and Steamers employed in the Trade .	... ... ...	£92,380	1	5
Valuation of Trading Goods, Provisions and Stores in hand, and Advances for carrying on the Trade	... ...	844,908	1	5
				937,288
By Balance of Capital as on the 1st June, 1863, brought forward ...	...	1,073,192	16	2
				£2,299,410
			7	3

Examined and found to be in due accordance with the Books, Accounts, and
Vouchers of the Company,

WM. QUILTER, AUDITOR.

3, Moorgate Street,
24th June, 1869.

HUDSON'S BAY
PROFIT AND LOSS FOR THE

	£	s.	d.
To General Expenses—			
Salaries of Transfer Office ...	...	397	10 0
Incidental Expenses, including Law Costs,			
Stationery, &c. ...	...	461	7 7
Income Tax ...	...	2,469	0 11
Auditors' Fees ...	...	300	0 0
Contribution to Red River Relief Fund...	...	500	0 0
	4,127	18	6
To Fur Trade—			
For 60 per cent. of Loss on the Fur Trade			
of Outfit 1865 ...	..	...	2,821
	17	5	
To Colony at Red River—			
Balance of Account ...	...	829	9 4
To Balance carried forward, being Net Profit			
	71,533	5	9
	£79,312	11	0
To Interim Dividend declared December, 1868, being at the rate of 3 per cent. per annum on Capital ...	...	30,000	0 0
To Balance carried down ...	...	70,739	6 8
	£100,739	6	8

COMPANY.

YEAR ENDING 31ST MAY, 1869.

	£	s.	d.
By Interest and Dividends	51,829	7	3
By Transfer Fees	173	11	0
By Sundry Accounts, Gain	259	12	4
By 60 per cent. of the Profits of the Fur Trade Outfits 1866 and 1867 ... £24,050 0 5			
By 3-5ths of £5,000, depreciated value of Fenchurch Street Premises, charged in General Account Outfit 1867 ... 3,000 0 0			
	<hr/>		
	27,050	0	5
	<hr/>		
	£79,312	11	0
	<hr/>		
By Balance brought down, being Net Profits	71,533	5	9
By Balance of undivided Profits, 1st June, 1868	29,206	0	11
	<hr/>		
	£100,739	6	8
	<hr/>		
By Balance brought down, being the amount now available for Appropriation ...	£70,739	6	8

H U D S O N ' S B A Y

GENERAL ACCOUNT,

Dr.

EXHIBITING THE PROFIT AND

	£ s. d.	£ s. d.
To Goods, Provisions, Stores, Supplies, Debts, and other Articles, as per Inventory, 1st June, 1867	398,975 4 4	
Valuation of Hudson's Bay House in London, with its Appurtenances, including the Furniture therein, on the 1st June, 1867	18,872 5 4	
Valuation of Ships belonging to the Company on the 1st June, 1867	42,779 3 2	
Premises in Lime Street and Leadenhall Street	6,968 17 6	
	<hr/> 467,595 10 4	
Increase in Valuation of Premises in Fenchurch Street, under decree of Vice-Chancellor	36,127 14 8	
	<hr/> 503,723 5 0	
Interest thereon at 5 per cent. from 1st June, 1867, to 31st May, 1869 (two years)	50,372 6 6	
	<hr/> 554,095 11 6	
To Goods (the produce of the Country) in hand as per Inventory, 1st June, 1867	138,480 3 6	
To Goods, Provisions, and Stores supplied for Outfit 1867	194,302 19 0	
To Insurance Fund	2,000 0 0	
To Outlay on Premises, Leadenhall Street and Lime Street, less written off	428 15 2	
To Expenses incurred in London to 31st May, 1868, viz.—		
Outfit and Expenses of Ships	9,432 5 3	
Governor and Committee Fees	3,500 0 0	
Salaries, Rent and Office Expenses	5,997 17 7	
Warehouse Expenses	2,931 4 8	
Taxes and Expenses in Fenchurch Street	153 0 10	
Miscellaneous Expenses	4,667 16 3	
	<hr/> 26,682 4 7	
Less Amount written off for wear and tear of the Fleet, and Loss on Sale of the Ship "Glaramara"	6,256 11 10	
	<hr/> 20,425 12 9	
To Balance of Interest at 5 per cent. to 31st May, 1869	20,958 13 6	
To Balance carried down, being Profit on Outfit 1867	37,716 9 5	
	<hr/> £968,408 4 10	
To Traders 40-100ths of £40,083 7 4	16,033 6 11	
To Hudson's Bay Company 60-100ths of do., carried to Credit of Profit and Loss Account	24,050 0 5	
	<hr/> £40,083 7 4	

C O M P A N Y.

31st MAY, 1869.

LOSS RESULTS OF OUTFIT 1867-8.

Cr.

	£ s. d.	£ s. d.
By Net Amount received from the sale of Furs, Pelties, and other articles (received as the returns of Outfit 1867), after deducting all expenses attending or relating to the sale thereof	331,486 2 5	
By Valuation of Goods, the produce of the Country, in transit	12,100 4 6	
Consignment of Furs to Canada	8,332 0 3	
Balance of Labrador District Account	4,663 18 7	
	25,096 3 4	
By Profits from Insurances, Discount, &c.	1,848 8 3	
By Sundry Balances and Miscellaneous Disbursements in respect of the Establishments of the Company abroad	5,603 2 5	
By Goods (the produce of the Country) in hand, as per Inventory, 31st May, 1868	135,356 12 0	
By Goods, Provisions, Stores, Supplies, Debts, and other articles, as per Inventory of the 31st May, 1868	354,303 11 6	
Valuation of Hudson's Bay House in London, as per decree	55,000 0 0	
Less Amount now written off	5,000 0 0	
	50,000 0 0	
Premises in Lime Street and Leadenhall Street	7,397 12 8	
Valuation of Ships belonging to the Company on the 31st May, 1868, as reduced by Depreciation and Loss on Sale of the Ship Glaramara	84,982 8 9	
	446,683 12 11	
Interest thereon, at 5 per cent., from 1st June, 1868, to 31st May, 1869 (one year)	22,334 3 6	
	469,017 16 5	
	968,408 4 10	
By Balance, being Profit of Outfit 1867, brought down	37,716 9 5	
By further Profit, Outfit 1866	2,366 17 11	
	£40,083 7 4	

1869 JULY PROCEEDINGS MISSING.

